

Lerøy Seafood Group

2nd quarterly report 2003

August 28th

Ole-Eirik Lerøy
CEO

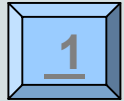
Helge Singelstad
CFO



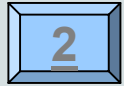
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Considerations



Key financial figures Q2 2003



Lerøy at a glance



Lerøy Seafood Group – Company profile



Market glance





Internal considerations 2nd Quarter 2003

- **Financially Solid**
 - Well positioned for future organic and strategic growth
- **1.523 shareholders per 25.08.03**
 - Increasing number of shareholders
- **Other shares**
 - Write-down NOK 11,0 mill, book value shares in Hjalmland Seafarms AS equals 0
- **Consolidated**
 - Satisfactory operations in all areas in Q2
 - Distribution Lerøy Sweden
 - Processing Lerøy Sweden
 - Hallvard Lerøy AS
 - Norway distribution
 - Norway processing
 - Global distribution
 - Still focus on operation and synergies
- **New Sales office in Italy**
- **Planned share issue (25 MNOK) in Hydrotech-Gruppen AS**
 - Planned in Q3 2003





External considerations 2nd Quarter 2003

- **Weak salmon and trout prices**
 - Prices weakened through Q2 – also compared to last year
 - Prices in Q3 on an historically low level
 - Higher prices needed
 - Uncertainty in price development
- **Still difficult market situation in both pelagic and white fish sectors**
- **Weakened financial and operational performances throughout the industry enhances restructuration, consolidation and increased market orientation**
- **Weaker krone**
 - Positive for Norwegian export industry
 - Future may bring greater volatility
- **Political issues / trade barriers**
 - EU – agreement cancelled
 - Uncertainty regarding regulation of future market access for non-EU producers
 - Salmon-trout case ?





Aqua culture

• Cyclic

- Growing demand
- Over supply
- Loss position
- Reduced supply
- Market orientation
- Increased prices





Aqua culture

• Changes

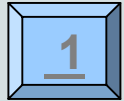
- Reorganization
- Consolidation
- Restructuration
- Market orientation



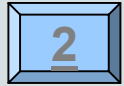
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Key financial figures Q2 2003



Lerøy at a glance



Lerøy Seafood Group – Company profile



Market glance

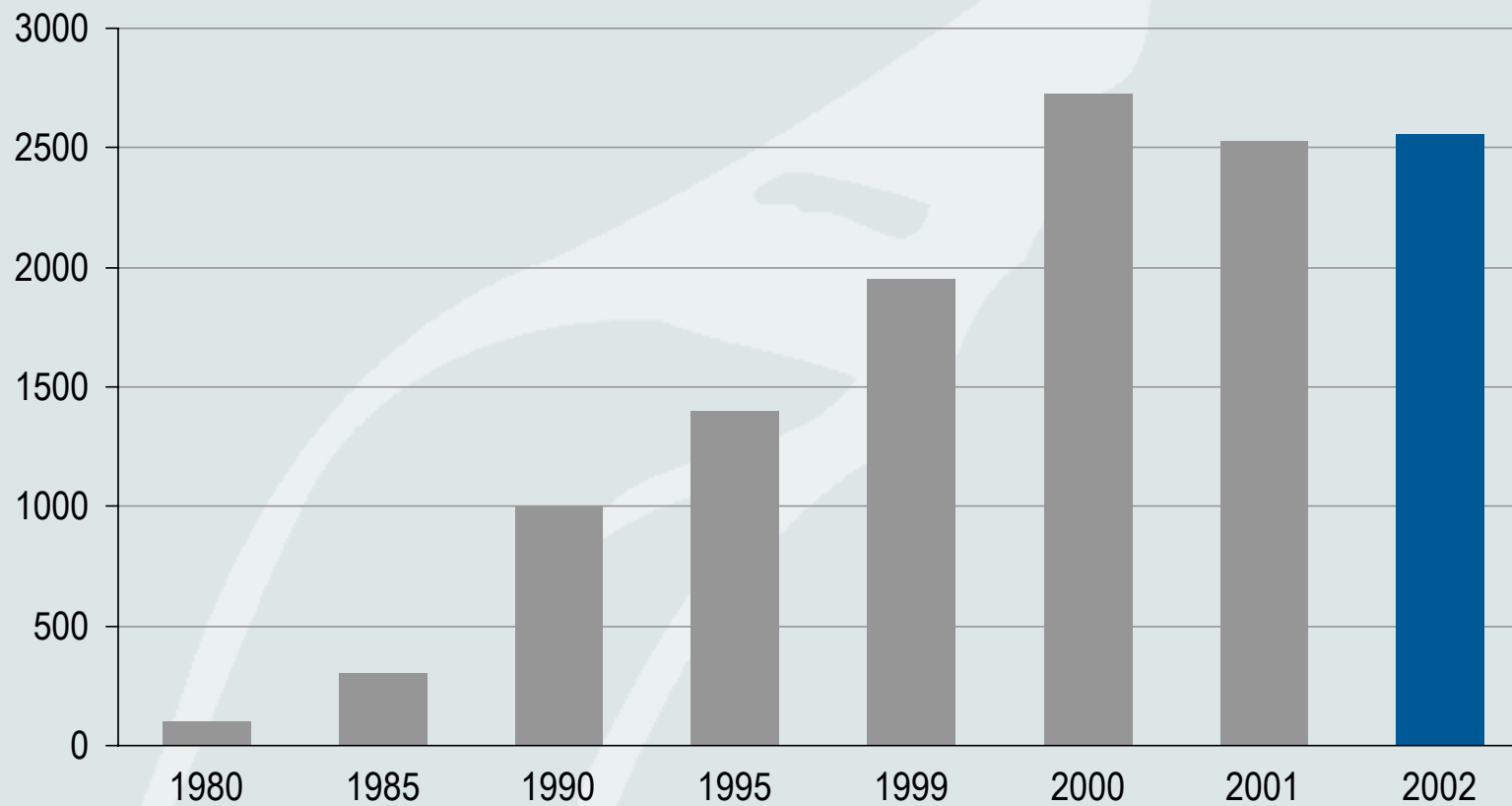


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Yearly turnover LSG

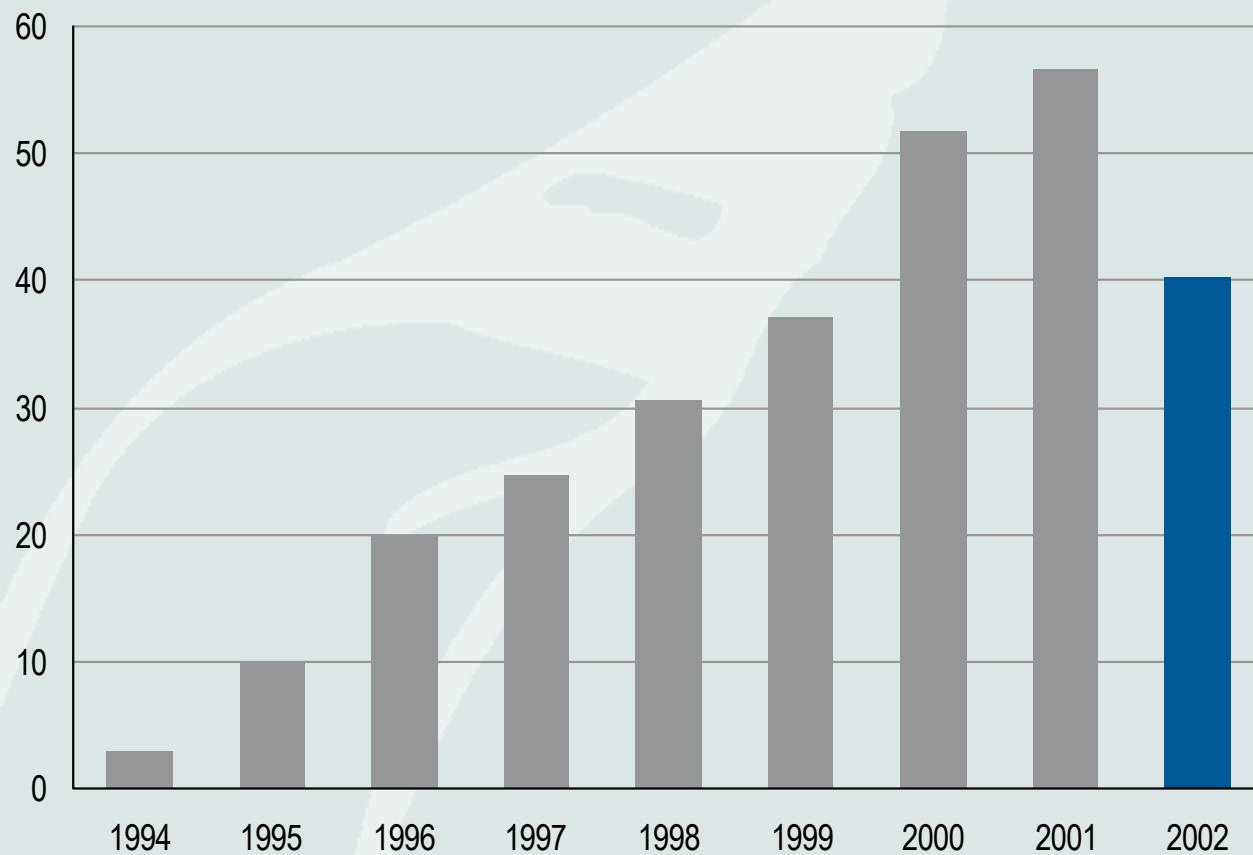
mill. NOK





Pre-tax earnings LSG

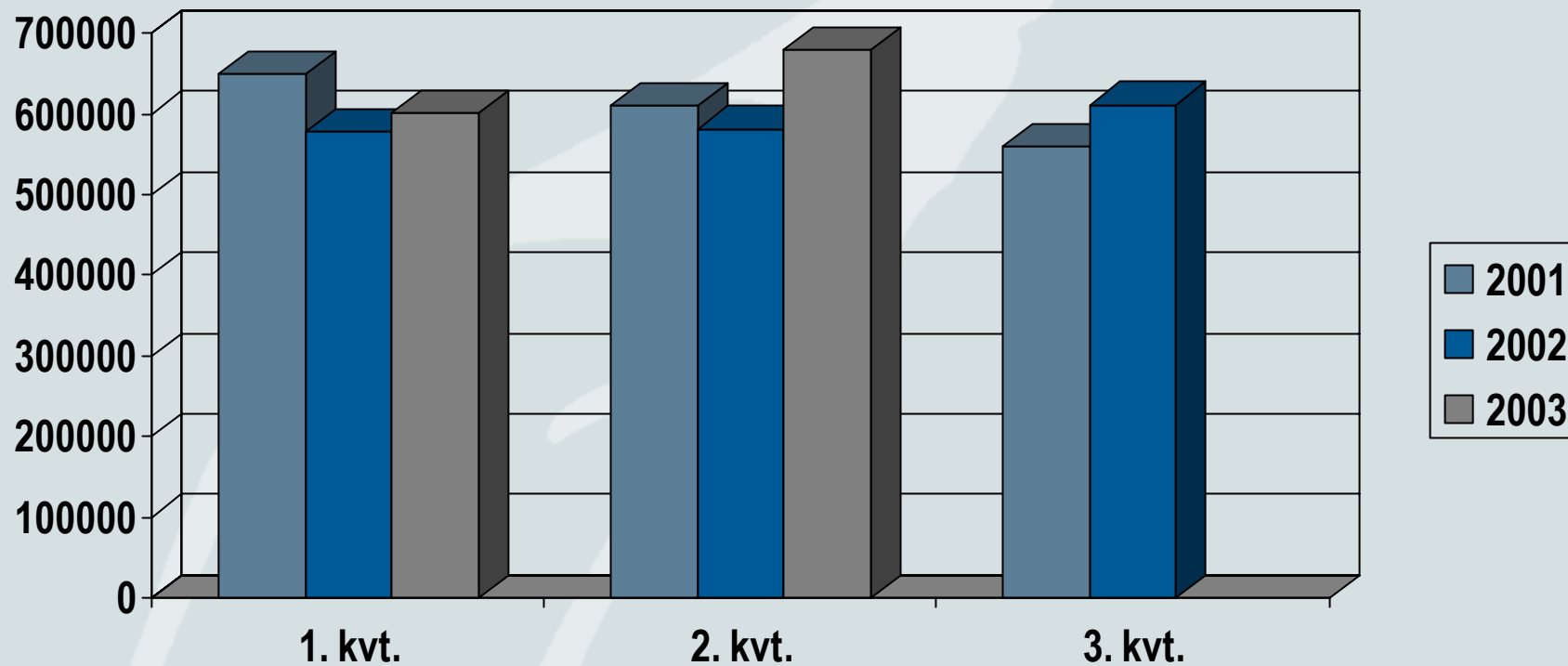
mill. NOK





Quarterly turnover LSG

mill. NOK



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Resultatregnskap / Income Statement Q2-03

Alle tall i NOK 1.000 / All figures in NOK 1,000

	Q2 - 2003	Q2 - 2002	YTD 2003	YTD 2002	2 002
Salgsinntekter / Operating revenues	678 442	581 649	1 280 101	1 160 306	2 555 606
Vareforbruk / Cost of goods sold	606 011	534 892	1 143 172	1 060 159	2 326 928
Lønn o a personalk./Sal. and other pers. exp.	22 396	18 551	46 282	39 025	91 979
Andre driftskostnader / Other op. exp.	22 881	15 935	42 886	30 473	70 447
Ord.avskrivninger / Ord. depr.and amort.	3 406	2 184	6 734	4 412	11 207
Driftsresultat / Operating profit	23 748	10 087	41 027	26 237	55 045
Inntekt tilkn. selskap / Inc. from aff. comp.	-4 051	-2 209	-10 934	-3 329	-12 753
Netto finansposter / Net financial items	-11 153	-449	-10 520	-4 645	-2 108
Resultat før skattekostnad / Profit before tax	8 544	7 429	19 573	18 263	40 184
Beregnete skatter / Estimated taxation	-3 619	-1 819	-8 722	-5 113	-10 663
Periodens resultat / Profit for the period	4 925	5 610	10 851	13 150	29 521

Balanse / Balance Sheet Q2-03

Alle tall i NOK 1.000 / All figures in NOK 1,000

	30.06.2003	30.06.02	31.12.2002
Immaterielle eiendeler / Intangible assets	32 060	15 241	23 700
Varige driftsmidler / Tangible fixed assets	68 366	45 352	66 714
Finansielle anleggsmidler / Fin. fixed assets	273 116	304 560	294 951
Sum anleggsmidler / Total fixed assets	373 542	365 153	385 365
Varer / Inventories	63 447	44 120	69 068
Fordringer / Receivables	337 965	308 084	384 338
Betalingsmidler / Cash and equivalents ¹⁾	313 611	329 917	359 484
Sum omløpsmidler / Total current assets	715 023	682 121	812 889
Sum eiendeler / Total assets	1 088 565	1 047 274	1 198 253

1) Tall som inngår i beregningen av netto rentebærende gjeld /
 Figures used in calculation of net interest bearing debt



Balanse / Balance Sheet Q2-03

forts./cont.

Alle tall i NOK 1.000 / All figures in NOK 1,000

	30.06.2003	30.06.02	31.12.2002
Innskutt egenkapital / Equity contributions	505 288	507 409	505 342
Opptjent egenkapital / Earned equity	121 825	119 863	113 130
Minoritetsinteresser / Minority interests	10 612	8 502	22 604
Sum egenkapital / Total equity	637 725	635 774	641 076
Avsetning for forpliktelser / Accrued liabilities	310	793	310
Langsiktig gjeld / Long-term liabilities ¹⁾	190 249	175 146	186 831
Kortsiktige kreditter / Short-term loans ¹⁾	16 089	7 431	80 549
Annen kortsiktig gjeld / Other short-term liabilities	244 192	228 130	289 489
Sum gjeld / Total liabilities	450 840	411 500	557 179
Sum egenkap.og gjeld / Total equity and liab.	1 088 565	1 047 274	1 198 254

1) Tall som inngår i beregningen av netto rentebærende gjeld /
Figures used in calculation of net interest bearing debt





Key figures – Lerøy Seafood Group Q2-03

	Q2 2003	Q2 2002	YTD 2003	YTD 2002	2 002
Resultatmargin / Profit margin	1,26 %	1,28 %	1,53 %	1,57 %	1,57 %
Driftsmargin / Operating margin	3,50 %	1,73 %	3,20 %	2,26 %	2,15 %
Resultat per aksje / Earnings per share	0,17	0,22	0,37	0,58	1,13
Utv res per aksje / Dil earnings per share	0,17	0,21	0,37	0,57	1,13





Key figures – Lerøy Seafood Group Q2-03

	Q2 - 2003	Q2 - 2002	YTD 2003	YTD 2002	2 002
Avk. på syssels kapital / ROCE 2)	7,08 %	9,66 %	7,63 %	11,34 %	8,75 %
Egenkapitalandel / Equity ratio			58,58 %	60,71 %	53,50 %
Netto renteb gjeld / Net int. bearing debt			-	-	-

2) Annualisert / Annualized

Delårstall er ikke revidert / Quarterly figures have not been audited





Lerøy Seafood Group consolidated Q2 2003

- **Lerøy Seafood Group's total equity is 637,7 mill NOK**
- **Subsidiarie's share of group equity is 262,3 mill NOK**
- **Operating profit for YTD 2003 is 41,0 mill NOK**





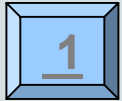
Affiliated companies

Balance at	30.06.03	31.03.03	31.12.02
Norskott Havbruk AS (50%)	152,8 mill	152,4 mill	153,0 mill
Hydrotech Gruppen AS (39%)	94,1 mill	98,3 mill	104,0 mill
Egersund Fisk AS (27%)	21,4 mill	21,7 mill	22,0 mill
<hr/>			
Total	268,3 mill	272,4 mill	279,0 mill
Lerøy Seafood Group's total equity	637,7 mill	649,8 mill	641,1 mill





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Considerations



Key financial figures Q2 2003



Lerøy at a glance



Lerøy Seafood Group – Company profile



Market glance



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Lerøy Seafood Group

- **Norway's largest seafood exporter**
 - 7,63% market share of Norwegian Seafood total exports (by value)
 - 12% of Norwegian salmon export in 2002
 - Major shareholder in fish farming operations
 - 2nd largest Scottish salmon producer (50%)
 - Hydrotech-Gruppen AS (39%)
 - Japan single largest market, EU most important region overall





Lerøy Seafood Group

- **Global distribution network**

- Global distribution from Head Office in Bergen
- Local distribution and processing in Sweden
- Local representative offices in some key markets (France, Spain, Italy, Japan, China, USA)





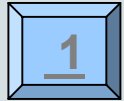
Lerøy Seafood Group

- **Steady growth in profits and strong balance sheet**
 - Stable earnings despite turbulence in the salmon industry
 - Growth potential within recently acquired businesses
 - Satisfactory liquidity / credit facilities
- **Professional and highly educated employees**

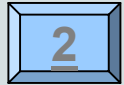




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Key financial figures Q2 2003



Lerøy at a glance



Lerøy Seafood Group – Company profile



Market glance



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Lerøy Seafood Group ASA



Sales & Distribution

**Lerøy Smøgen
Seafood AB**
100% *

Sales and
production

Cold and hot
smoked
sea-food
products,
salads and shell
fish in brine.

**Lerøy
Sverige AB**
80%

Sales and
distribution
In Sweden

Strong position
towards
catering and
super-
markets

Hallvard Lerøy AS
100%

Sales and
distribution ww

Local
representation:
USA, France,
Spain, Italy
UK, Japan, China

Nordvik SA
80%

Sales and
distribution in
France

Strong
position
towards
Hyper- and
super
markets

Farming/other

Affiliated companies

**Norskott
Havbruk AS**
50%

**Hydrotech
Gruppen AS**
39%

**Sigerfjord
Aqua AS**
90,55%

**Egersund
Fisk AS ***
27%

Hjaltland
11%

* Per 30.06.03

*) Pelagic related activities



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LSG - Consolidated

PELAGIC

WHITEFISH

FARMED FISH

HALLVARD LERØY AS
SALES - MARKETING

DISTRIB. FRANCE
Nordvik

DISTRIBUTION UK
SSF / LERØY

DIRECT EXPORT

DISTRIBUTION NORWAY

DISTRIBUTION Lerøy Sweden

PROCESSING Lerøy Sweden

PROCESSING NORWAY

Lerøy
France

Lerøy
Italy

Lerøy
Spain

Lerøy
China

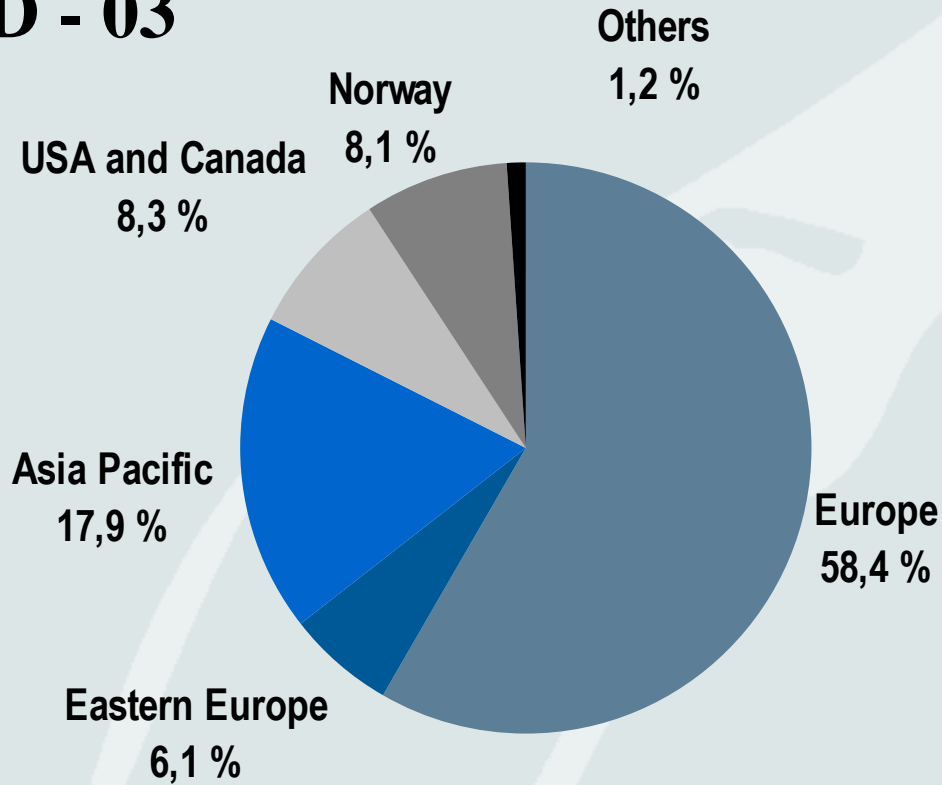
Lerøy
Japan

Lerøy
US

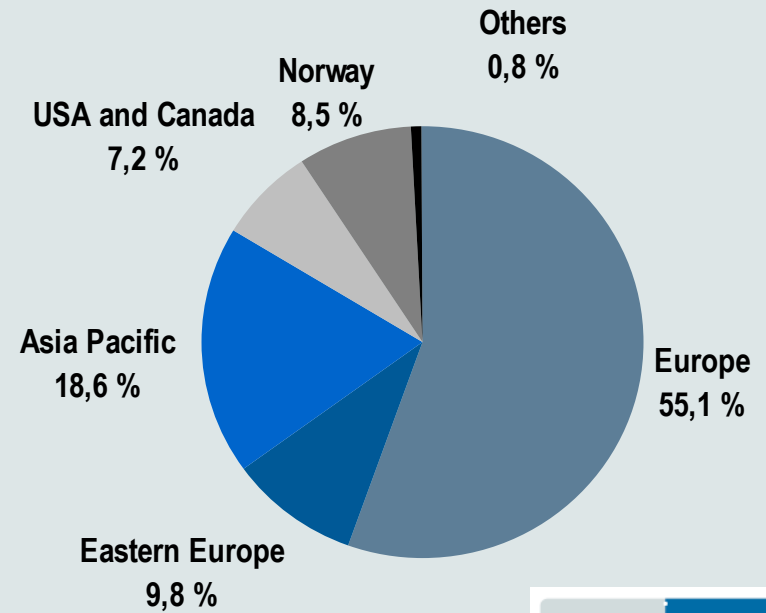


Lerøy Seafood Group - Sales per market

YTD - 03



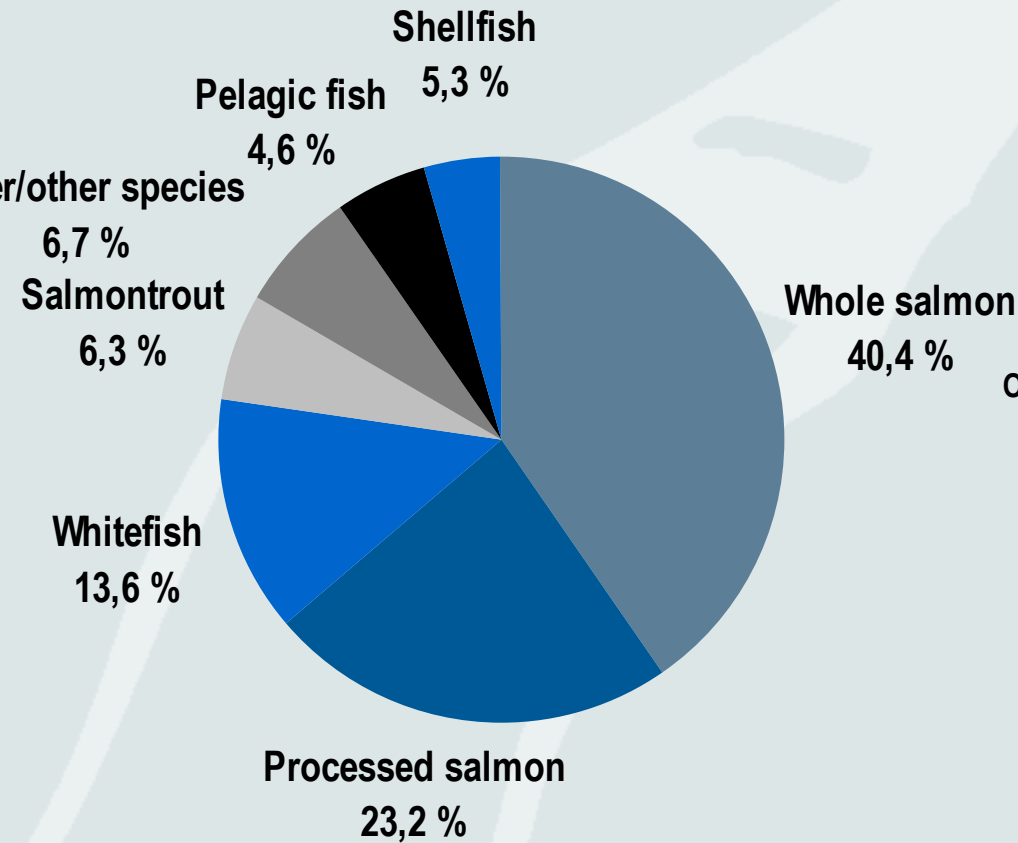
2002



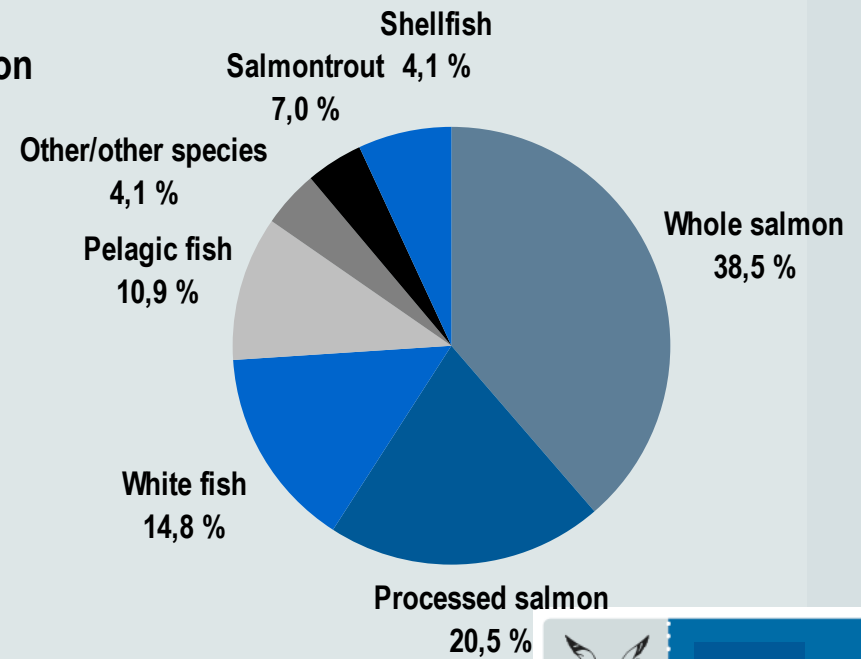


Lerøy Seafood Group - Sales per product

YTD - 03



2002



Shareholders 22.08.03



Shareholder	No. of shares	Ownership share
Ferd Private Equity	5 781 307	19,64 %
Ole-Eirik Lerøy	4 685 000	15,91 %
Hallvard Lerøy Jr.	1 490 900	5,06 %
Skagen Vekst	1 300 600	4,42 %
SND Invest AS	1 296 118	4,40 %
Knut Hallvard Lerøy	1 253 210	4,26 %
Tine Pensjonskasse	1 095 300	3,72 %
Bremnes Fryseri AS	1 033 169	3,51 %
DnB ASA, Egenkapital Invester	734 200	2,49 %
George Harald Lerøy	475 000	1,61 %
Deutsche Bank AG	421 933	1,43 %
KOS Bergen AS	406 640	1,38 %
Inma AS**	400 000	1,36 %
SalMar AS	386 826	1,31 %
Goldman Sachs	374 167	1,27 %
Alsaker Fjordbruk A/S	341 640	1,16 %
Sunnhordland Fjordbruk AS	341 600	1,16 %
Lime AS**	310 573	1,05 %
Mowinckel Management AS	243 800	0,83 %
Trond Fjeldstad	209 200	0,71 %
Total 20 largest share owners	22 581 183	76,70 %
Others	6 859 584	23,30 %
Total shares	29 440 767	100,00 %



**controlled by Ole-Eirik Lerøy



Lerøy Seafood Group - Global organization



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Norskott Havbruk (Scottish Sea Farms Ltd.)

- **Production capacity: 25.000 – 30.000 gwt**
- **Volume harvested in 2002: 19.000 gwt**
- **Est. harvest volume 2003: 22.000 – 24.000 gwt**
- **Additional processing and sales: 8.000 gwt**
- **2 processing plants**





Norskott Havbruk (Scottish Sea Farms Ltd.)

- **SQS**
- **Label Rouge**
- **ISO 9002**
- **ISO 14 001**
- **Investor in people**
- **VIBES of Scotland**



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Norskott Havbruk

NOKm	Q2 - 2003	Q2 - 2002	YTD - 2003	YTD - 2002	31.12.2002
Revenues	167,9	120,7	310,7	254,7	562,8
EBITDA	14,6	12,9	27,3	21,6	37,2
EBIT	7,2	2,2	12,7	1,6	7,9
Pre tax	0,9	-3,9	0,1	-11,7	-20,9
Volume gw (t)			9,4	8,8	19,0
Balance sheet			30.06.2003	30.06.2002	31.12.2002
Licences, Goodwill			378,8	384,6	381,7
Fixed assets			93,1	84,7	91,0
Inventories			361,9	318	333,6
Other current assets			85,7	80,9	94,4
Cash			1,0	2,3	1,0
Total assets			920,5	870,5	901,7
Equity			310,7	314,8	315,0
Interest bearing debt			481,5	436,1	457,4
Non interest bearing debt			128,3	119,6	129,3
Total equity and debt			920,5	870,5	901,7

Hydrotech Gruppen AS (39%)

- **Ownership**
 - 39% owned by Lerøy Seafood Group ASA
 - 57.3% owned by L & K Karlsen Holding AS
 - 3.7% owned by others
- **Wholly integrated fish farms in Norway**
 - 17 wholly owned licenses
- **Yearly production:**
 - Salmon and trout estimated: 15,000 gwt
- **Smolt production: appr. 5 mill**
- **Wellboat shipping co.**
- **Slaughtery**
- **Processing plant**





Hydrotech Gruppen

NOK	Q2 - 2003	Q2 - 2002	YTD 2003	YTD 2002	31.12.2002
Revenues	101,8	66,1	186,6	127,7	349,0
EBITDA	4,3	6,4	0,5	6,6	25,7
EBIT	-0,4	0,8	-8,9	-4,6	6,5
Pre tax	-5,4	-5,2	-20,3	10,4*	3,7

Balance sheet	30.06.2003	30.06.2002	31.12.2002
Licences / Goodwill	140,6	138,2	141,2
Fixed assets	170,4	164,7	175,4
Inventories	165,3	184,4	217,7
Other current assets	39,4	68,9	52,4
Total assets	515,7	556,2	586,7
Equity	117,6	138,9	131,8
Debt	398,1	417,3	454,9
Total equity and debt	515,7	556,2	586,7
Net interest bearing debt	300,7	324,1	363,7

* Include gain on sale of assets appr. 25 mill



Egersund Fisk AS (27%)

• Shareholder structure

- Lerøy 27%
- SalMar 27%
- Egersund Fiskeriinvestering 9%
- Others 37%
(less than 4% each)

• Pelagic activity

- Fish oil, fish meal
- Pelagic fish for consumption
- Ownership in vessels for wild catch
- Production of ice

• Part ownership acquired in 2001



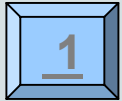
Egersund Fisk 100%	30.06.03
• Turnover	124,0
• EBIT	0,2
• Pre tax profits	- 3,8

30.06.02	2002
200,7	364,6
10,6	10,9
6,6	4,5





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Key financial figures Q2 2003



Lerøy at a glance



Lerøy Seafood Group – Company profile



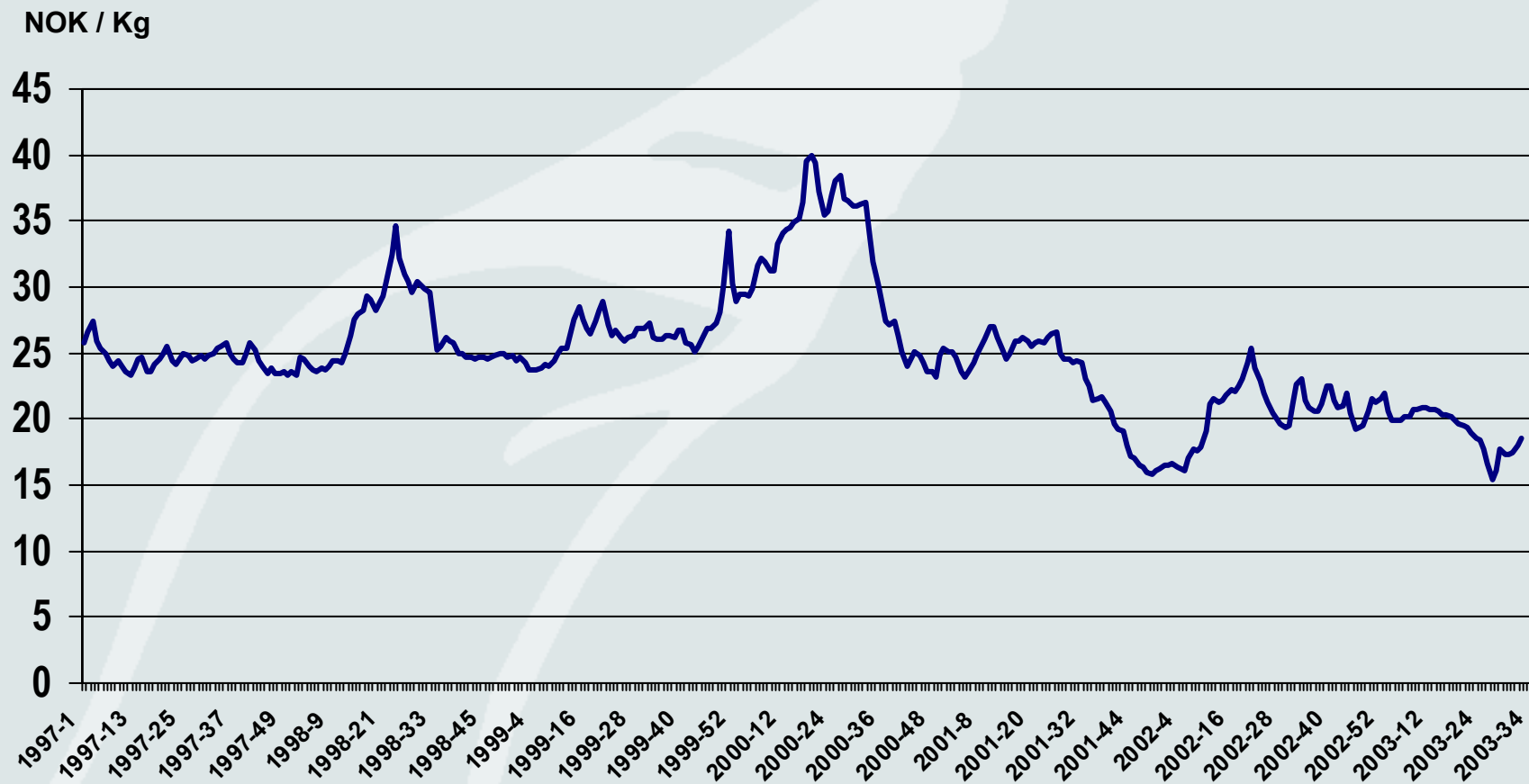
Market glance



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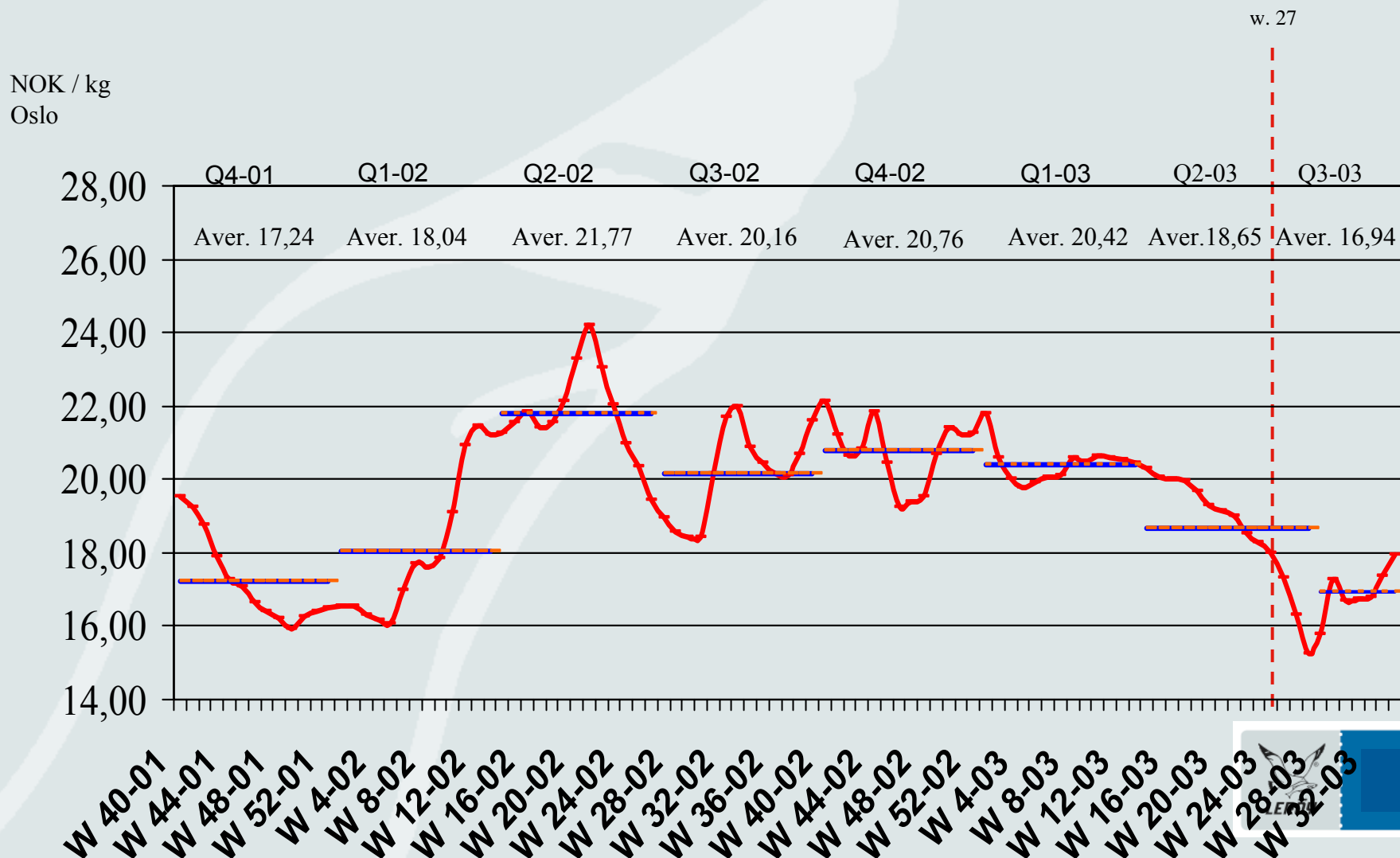
Fresh Atlantic Salmon Norway (4-5 kgs) – price development 1997 - YTD (FNL)





Salmon export from Norway as of week 34-03

Fresh atlantic salmon, cross-section, FCA Oslo.





Atlantic salmon – supply side

	02 H1	03 H1	Ch in %	02 H2	03 H2E	Ch in %	2003 E	Ch 02-03 E
Norway	207 600	226 000	8,9	236 400	252 000	6,6	478 000	7,7
Chile	140 600	130 500	-7,2	131 000	147 500	12,6	278 000	2,4
UK	59 300	64 400	8,6	74 100	76 600	3,4	141 000	5,7
Canada	53 900	54 500	1,1	45 600	35 500	-22,1	90 000	-9,5
Faroe Islands	23 800	15 200	-36,1	18 400	20 800	13,0	36 000	-14,7
Ireland	11 800	10 000	-15,3	10 500	12 000	14,3	22 000	-1,3
USA	7 500	8 500	13,3	7 500	8 500	13,3	17 000	13,3
Australia	6 500	7 000	7,7	6 500	7 000	7,7	14 000	7,7
Iceland	2 000	3 000	50,0	2 000	3 000	50,0	6 000	50,0
In total	513 000	519 100	1,2	532 000	562 900	5,8	1 082 000	3,5

Figures per 25.08.03

Change in %
01-02 = 5,8%



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Atlantic salmon – demand side

	02 H2	03 H2E	Ch in %	2003E	Ch 02-03
EU	259 400	275 100	6,1	513 000	5,0
USA	141 500	144 300	2,0	300 000	0,8
Japan	34 500	29 700	-13,9	55 000	-15,8
Others	100 200	98 400	-1,8	198 000	0,9
In total	535 600	547 500	2,2	1 066 000	1,7

Figures per 25.08.03



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Drivers per 01.08.03

- **Norway – EU** (77.800 mt) **+ 15,4 %**
- **Norway – Eastern Europe** (fresh 15.240 mt) **+ 77,8 %**
- **Norway – Eastern Europe** (frozen 10.120 mt) **1,8 %**
- **Norway - Japan** (8.500 mt) **- 20,2 %**
- **Feed sales** **+ 2,7%**





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